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CANADA'S WEEKLY NEWSMAGAZINE AUGUST 31, 1993 VOL. 106 NO. 35

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CANADA'S FIXERS

Prime Minister Brian Mulroney and the ten premiers surprised even themselves as they forged a series of agreements that would dramatically reshape the face of Confederation. But as opposition to the initiative deal mounted, the politicians confronted a tough selling job to ensure that the new national unity arrangement is ratified by Parliament and the provincial legislatures. — 34



SPECIAL REPORT

THE 'FAMILY VALUES' THING

The Republicans, directing an exploitable issue, declared George Bush and Dan Quayle the champions of family values. But with counterpointing photos of the Duchess of York and revelations about movie director Woody Allen, it was not a week in which prominent personalities set a shining example. — 32



BUSINESS

THE RISK TAKERS

Across Canada, workers are making commitments and putting money into their companies in an effort to save jobs, a practice proposed by some Canadian Airlines employees. But some labor leaders note that employees are called upon to accept only when traditional lenders will not take the same risks. — 26



LETTERS

'The big lie'

Comments to Allen Fotheringham for his realistic portrayal of care in Canada ("A message for Elizabeth Taylor," Column, Aug. 30). It is probably impossible to determine the genesis of "the big lie." Perhaps it is a manifestation of the modern malaise that pervades the truth be concealed in order not to offend the delicate sensibilities of special-interest groups. Apart from creating a growth industry among civil servants, it's been a gift to researchers who jaded by their efforts to win the war on cancer, while it has acted as a shield against which they can hide their doubts. Under the banner of "hope" the cynic may believe that diseases are being used to demand more financial support for developing countries. "The big lie" has cost taxpayers millions of dollars in misdirected propaganda and a worthless prevention program in the classroom, in the workplace and in the health-care industry. The irony is that the only big lie may be that all causes AIDS.

Dr. John Warrick,
Med. Department of Dentistry,
Vancouver General Hospital,
Vancouver

I hope that Fotheringham is willing to take responsibility for the distress caused by AIDS due to his implied accommodation that medical and upper-class straight white people need not worry about practicing safer sex.

Kurt Weber,
Fredericton, N.B.

I had to write to express my thanks for Fotheringham for writing the first article on AIDS but I have read that just the disease and the risk for getting it in perspective. As a 24-year-old heterosexual female, not living as an urban centre, and not being a drug user, I read stories about AIDS and still cannot bring myself to the stage that no matter what I do, I am at risk, too. After reading this article, I did not think I could now be careless in any behavior, but I realized what a terrible thing the media have been doing by scaring us rather than informing us. When yet, if cancer had been a "trendy" disease, perhaps that case would have been treated long ago and many more people could have been saved. We should give L.A. a call.

Shrek Patterson,
Oakland, Calif.

I am sorry that since AIDS is only in its 10th place on the death list but it seems outrageous. I will explain that to the friends and friends of those who have died. I am sure it will make them feel better. I think of Fotheringham just like the



Personal water vehicle: luxury 'moments of the long-departed yuppie mentality'

time to check his facts with any degree of regularity, and will do better. After all, it has cost such a long way in such a short time compared with the others. He plays he has been spared the personal heartbreak of losing a friend, a colleague, a lover, a child or even an acquaintance due from this dreadful plague. If so, he should broadcast this without limit. It will only be only Number 11 in its role of killing, but believe me, it is Number 1 in its way. This disease is moving steadily into broader and broader areas and it is people like the Fotheringham who are clearing a path for it.

Karen Hazzard,
Toronto

Twisting in the air

Sure, it is still a free country—but who needs another tumour? ("A matter of changing colors," Canada, Aug. 24/25) Montreal, Que., was Richard Holden should be made to hang his nose and hang his pants until he regains his senses.

Pierre Ricard,
Dorval, Que.

Rules of the market

Peter C. Newman says that President George Bush has attacked the North American Free Trade Agreement solely to settle his re-election, evoking a disaster for Canada ("Filling into Bush's Mexican trade trap," Business Watch, Aug. 17). For Newman, complex political motivations explain every American initiative and that as far as we are concerned, Newman sees no knowledge that in the longer term, free mar-

kets benefit everyone by creating new opportunities for growth and new wealth for all. He sees only protectionism and mismanagement as an answer, while he and the standard commentators are the first to scream foul if trade barriers are raised against them. They are also usually in the front row of campaigns to save the world with our hands while inserting their eyes and hands from the corruption and failure of many of these programs. Perhaps that is why they cannot see that opportunities created by open markets can lead to solutions to poverty and social unrest, that it is not a closed system and wealth begets wealth. You go forward with your belief that our drug has benefited with you.

J.D. Tucker,
Calgary

Minus the ads

As a longtime and avid reader of Maclean's magazine, primarily for the insightful and concise journalistic treatment of Canadian and international politics, I was saddened that the cover story ("The new techno tops," Aug. 17) was solely a seven-page advertisement supplement. Moreover, the "tops" that are exhibited are instances of the long-departed yuppie mentality. Surely in these days of necessary restraint and rising unemployment, a large quantity of these products are viewed as luxuries that many in Canadian society simply cannot afford at this time. Please leave this advertising to your clients and advertising departments.

Andrew Capstick,
North York, Ont.

Letters may be condensed. Please supply name, address and daytime telephone number. Letters to the Editor Maclean's magazine: Maclean's (June 1991), 707 Bay St., Toronto, Ont. M5W 1A7 (416) 593-7700.

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OPENING NOTES

Elvis in memoriam,
those restless
young Tories and a
crossover marriage

BACK TO SCHOOL

For many years, she has been Miss Mokony's executive assistant—and one of her closest friends. But last month Blanche Strowler, 38, stepped down from her position, and the Prime Minister's Office has declined to say what she will be doing next. In fact, Mokony has not even told Strowler what she will be doing. The only hint is a low-key broadcast on April 24, from the elite National Defence College in Kampala, East. Funded by taxpayers, the \$12-million fellowship program enrolls about 50 students a year, chosen from the ranks of the military, government and the private sector. In itself, serving in the program is no guarantee of a high-paying job. But Strowler and other international affairs. Not surprisingly, the course is highly prized by senior public servants—but it has drawn fire from some retired military officials, who complain it is a waste of money. The college's commander, Maj. Gen. Scott Sturges, says he is not sure what Strowler will do next. He says he knows nothing about the fellowship program with an eye to casting votes. Clients add that Strowler's resignation included a letter of recommendation "from the Prime Minister's Office" but not from the Prime Minister himself. "We did an awful lot of chit-chat for a long time," she says. "I was a good friend, but I was not a close friend." She says she would like to go back for one last job, but she says, "I have no one to go to."



December 1999

Big-time bargaining

In the Toronto area's deflated property market, Marie Byers is betting that an elephant will succeed where real estate agents have failed. After eight months of unsuccessfully trying to sell her suburban Toronto home, privately and through agents, Byers says that she is fed up with the conventional approach. Now, she is selling



est \$2,000 to rent a two-story-high inflatable pink pachyderm that bears the sign: "I'm selling my house for peanuts." Although the artificial animal will fill her driveway for an entire week, Spers says that she does not expect her neighbors to object. "I'll go down in history on this street," she added. "They won't let me after I move away."

• 'I DO, MINISTER'

The marriage of Liberal MP Edna Blaudin and Leon Andrew of Fort Norman, N.W.T., last Saturday took the ecumenical spirit to new heights. Blaudin and Andrew, both of whom are Dene Indians, are Roman Catholics. But because Blaudin divorced her first



asked United Church minister David MacDonald, a friend, to conduct the ceremony. That decision crossed religious and political boundaries as well as being a Protestant clergyman, MacDonald is the Conservative member of Parliament for the Toronto riding of Ossington.

A brush with nudity

For the cover of the booklet *By a Lady*, a soon-to-be-published history of Canadian women artists by art historian Maria Tippett, said at Princeton House of Canada chair Joyce Wieland's 1983 painting *Arms at Play*. In that work, orange and blue figures (right) lean the body of a woman who sits before an easel, touching up a portrait of a male nude. But the disquieting details with appended only after news-based debate at a recent Princeton sales conference. Some staff members said that they were concerned that bookshelves would object to the painting because of the anatomical (by current—and apparently, initially by several) figures depicted on the woman's torso. Explained Brad Martin, Penn's vice-president of ordinance, Marie Neri: "Our security guard once saw a naked statue and moaning: 'With such a man as any of the windows.' Neel told Albrecht that that was important book. I thought it was young. There, most aged between 18 and 30, were drinking and going to get feedback from the prohibited areas, and that cleanup crews found nondescript bookshelves first." Penn's 4th in row of the rooms Mark Ancuta, president of PC. Shortly after the group of age 18-30s, he stated that Carleton officials had misinterpreted the red and several individual book dealers. "To be dangerous," he was put a lot of another youth having a lot of everyone's relief, said Marie Neri: "The ladies together." He added, that Neel stated that the involved buyers agreed to stock the bookroom versus "If they say they aren't," she said, "we will have even though they expected that to get a better understanding for more socially acceptable behavior there might be a few complaints." Neel added that, a week later, a group of young librarians from universities—Purdue that, resided at a Carleton residence. Her assessment of the youths

Remembering the King

Every August, Elton Presley fans around the world pay tribute to their idol, who died on Aug. 16, 1977. Highlights of events commemorating the 15th anniversary of his death.



Alia Ghosh, Israel
Restaurant-owner Uri Yoel, 48, an Elva impersonator, tined diners at his Elva Inn, a stop on the Jerusalem-Tel Aviv way. "I think that he was Jewish," Yoel said. "If Elva came 2,000 years ago, he have started a new religion."

St. Vincent and the Grenadines Postal officials in the Caribbean island nation said that they were close to selling out 20,000 sets of nine 10-cent stamps issued in July 1991. Alphonse Derrin,

ON THE WILD SIDE

Over the Aug. 1 long weekend, 300 members of the federal Conservative youth wing converged in Ottawa to attend an annual meeting and hear speeches from Conservative heavyweights—including Prime Minister Brian Mulroney, who named the group as representing “our future leaders.” If Mulroney’s prediction is correct, however, Canadian has let her hair become frizzy. When the bidding politics returned to their lodgings at Carleton University’s student residence, some of them apparently let loose. “There were two incidents of men wrestling from window ledges,” and Carleton’s conference cen-



© Carleton University. Youth Housing is not for sale.

PASSAGES

RETIRED: Larry Bird, the impact forward who joined the National Basketball Association's Boston Celtics in 1979 and won three league championships, gained fame by leading Celtics 5 through a regular-season record of 66 wins in the 1979 college final by Bird was an NBA all-star 11 times in the so-called U.S. Dream Team have appointed him to assist with



FURIED! Arthur Kheel, Connecticut television correspondent who during the Gulf War earned the nickname *Soul Stal* for his live reports during Saudi missile attacks on Saudi Arabia, by New York City-based NBC News. The network cited repeated on-air disputes as its reason for firing the

near Calgary. Kost had earlier been suspended after refusing an assignment to Zagreb, Croatia, in the war-torn former Yugoslavia. Kost accused NBC news managers of smothering him in "a senseless, smother campaign."

the Privy Council, minister of public works, government House leader and cabinet general during his career, was named to the Senate in 1972 by Prime Minister Pierre Trudeau. Born in Lenoir, Ont., just west of Ottawa, McBratney became a lawyer before entering the Commons in 1940.

WARNING: British rock star Sting to his longtime girlfriend, Trudie Styler, at a London registry of fice. Sting, a former teacher whose real name is Gordon Sumner, now compiles to save the Amazon rain forest. Sting, 48, and Styler, 35, have three children, Meher, 5, John, 7, and Coco, 2. Asked why it had taken them 16 years to get married, Sting's tour manager, William Francis, said, "He didn't want to rush things."

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AN AMERICAN VIEW



The politics of marital infidelity

BY FRED BRUNING

The New York Post is a snitch and gossipy newspaper—a scandal rag that says in dramatic, two-ton headlines what much of America there only think. When Mimi Rogers went to jail, the Post announced, "Gilded Prisoner!" During the Persian Gulf crisis, the paper belatedly, "Which line?" A recent front-page production may have broken the kill-kissle suspense of other offerings, but set off a shower of sports just the same. "The Bush Affair," declared the Post in letters large enough to block the sun. And in smaller type: "Book reveals U.S. envoy set to resign Wednesday. Is he for vice-pres and his secretary?"

Inside, the Post reported that a newly published volume reveals an old rumor—that, in 1989, George Bush carried on a love affair with his own first appointment secretary, Jennifer Fitzgerald. Corroborated, the Bushier—now President of the United States—is trying to suppress a most difficult re-election campaign. Republicans are casting themselves as the last defenders of family values while Democrats strive mightily to do the same. As the GOP enters in its House loss, Bush is to write a second edition. First Lady Barbara Bush endorsed anti-rearrangement and, an, unthinkably, did her husband. But what about the story in the Post?

Specifically, the paper notes that in a book called *The Power Game*, author Susan Trento writes former U.S. ambassador Louis Fisher says that he arranged for Bush and Fitzgerald to share a Swiss guest house—portrayed by the Post as a "loveland haven"—during disarrangement talks right years ago in Geneva. The Post says that Trento's disclosure was the first time a married senator was attached to his longtime mistress about Bush and Fitzgerald—the kind of breakthrough needed to give the story a nice election year look.

If Americans believe philandering is against the public interest, we should interrogate every married office seeker

The White House blasted Trento's revelations, an ad hoc effort of the campaign to reject George Bush president of the United States. "Crash," said the White House, according to the Post, "Corruption" and the re-election campaign. Speaking to reporters, Bush refused to address "shaky questions" except to say the Geneva story was a "lie." Ambassador Fisher is dead, and Bush could at least hope the admission would be closed. Jennifer Fitzgerald? Not serving as deputy chief of protocol in the state department, Fitzgerald has yet to respond herself on the issue.

Of course, we've been through all this before. Just a few months ago, it appeared that Bill Clinton was doomed because Jennifer Flowers, former TV reporter and obscure cabaret singer was blabbing big time about her years of alleged comraded bliss with the governor of Arkansas. Newspapers circled his buzzards over red kill roll, whump, poor Bill got a heavy dose of hard times. Clinton weathered the onslaught, though the recent season of Campaign '92 has altered. If Hannah Bittman's a hefty lead over the incumbent come October, who knows what skeletons will come high-topping out of the closet?

Politics in the United States is a rough-and-tumble business, all right. Democratic coalition

that Republicans are spending millions of dollars about Clinton. Now GOP senators say that the opposition is somehow behind the Fitzgerald revelations. We may add the dramatic, gossipy and explicit to the general in the dirt. Just don't let our guy come to rest. Publicly, candidates exposed against stress and pressure. Privately, whole odds are assemblable to see what damage they can do. Americans learned their lessons at the Truman, remember, and have yet to master the far-joys of cynical behavior. Maybe that's why we're so much.

When our tradition of political political warfare, questions of marital fidelity remain to the Abolish. One way or another the politician gets. And. Barring over here are the sticky particulars—Senator seems to do not have much with what's beneath. The senator who poses at every opportunity with wife and the kids, now finds his integrity on the line and maybe his marriage too. Purple-leafed and expecting with righteous indignation, he denies everything, claims that the account is dated or distorted, and waits for morning headlines.

But that's not the trident part. By denying—as he must—any wrongdoing, the senator finds himself at the center of another more vicious inquiry: Is he lying? If a candidate for high office is accused of cheating on his spouse, the first concern is that the dog looks loyalty and ought not to be given in his act. As someone once observed, such a stringent approach to morality could leave the nation permanently without political leadership, but that is another matter. The subsequent area of culpability—did the business matter worse by failing to confess?—relates to the very soul of the man. Suddenly, the discussion becomes emotional.

It's one thing condemning your wife but deconstructing the newspaper and its contents amounts to blasphemy in the first degree. If this fellow doggoes when reporters ask about his private relations, what kind of dog game is he in? Is this an accusation at the Office? How would this employees be seen as above? What moral edge would he bring to discussions of national in the Defense and National? You say the guy means he's being the truth? Forget about it, because it's no excuse. The admission is a lie, the politician connected. Next here don't look with family values.

Despite the terrible dangers, candidates continue making their bed and home—and we keep falling for their lie. Oddly, Americans find both the bluntness of morality and lust of scandal, similarly irresistible. The best of us still give a good talking story. Menace, a peek inside the bedside lovers.

But don't stop on life's last obscure basic principles of life to play in Americans believe philandering is against the public interest. We should interrogate every married office seeker and not just the few who lead directly on page 1. Associates will have great opportunity to squander and squander when asked the moral question, and the electorate will be happily diverted from more important matters. Most likely, the nation will survive. Your favorite politician may be a little less lucky.

Fred Bruning is a writer with *Newsday* in New York.

BEEFING UP THE BORDER

The issue is a minefield of potential controversy, but the young minister has so far managed to stay a step ahead of his critics. Last year, when Employment and Immigration Minister Jeanne Yveland began the most wide-ranging revision of Canada's immigration law since 1976, he did so without engaging in widespread public consultation. As a result, his critics were caught off-guard on June 16 when the 40-year-old minister from a small former products town in New Brunswick unveiled Bill C-86, a complex, 113-page patch of legislation that would restrict the flow of refugees into Canada. "The initial spin on the bill was positive," said Toronto immigration lawyer Leonie Wildman, "and the Canadian public got the idea this is a good thing." Since then, however, Wildman and other critics have had time to sharpen their claws—and look out at what they say is the proposed legislation's undue controversialism. Declared lawyer Cator Hope earlier this month at parliamentary immigration committee hearings: "Virtually the entire world is transfixed under this act."

Although Yveland has said that he may make minor modifications to the bill, C-86 will likely become law late this year. Indeed, his success so far in pushing through the legislation is a measure of how low the minister's stock has risen since the night of July 4, 1989, when, when reported, he crashed his motorcade into a fence at Johnstown, N.B. Rather than smooth, he even welcomed a challenge to C-86 from one of his party's most respected leaders. Meeting privately with Yveland in his capacity as a board member of the Canadian Civil Liberties Association, Robert Stenfield asked for hearings on the bill to be suspended and at least one autism. But the 70-year-old former Conservative leader left the 45-minute meeting disappointed, saying, "The minister doesn't give any necessity to consider more time for public consultation."

By taking the legislation during the summer recess following the protracted hearing process, Yveland has seemed anxious to limit public debate on the proposed reforms. Among other things, the bill would streamline and toughen the refugee determination process, one of the most controversial aspects of Canadian immi-

A YOUTHFUL MINISTER TACKLES THE CHALLENGE OF REVISING THE COUNTRY'S IMMIGRATION LAW

gration policy in the past decade. Specifically, the proposed legislation would require fingerprinting of refugee claimants, a procedure that is now at the discretion of immigration officials. It would also give officials at border points greater power to turn away refugee claimants. (Under the current system, claimants are allowed to stay in Canada while their cases are considered.) Individuals who have been associated with organizations that have engaged in illegal activities could be barred from entry—or deported if they are already in Canada. Finally, the bill would effectively discourage some immigrants from settling in major urban centers, diverting them instead to parts of the country where their skills are needed.

Critics complain that C-86 is draconian, discriminatory—some draconian. "This bill is monstrous in size," says George Crowe, a spokesman for the Canadian Council of Churches, who appeared before the parliamentary committee last month. Specifically, opponents claim that the bill's provisions against lawbreakers could result in the expulsion of immigrants and refugee claimants who have been arrested while participating in civil rights protests, union activities or environmental demonstrations.

Others claim that the legislation is a blatant attempt to undermine public support for the Reform Party of Canada, which advocates a more restrictive immigration policy. Said Toronto immigration lawyer Barbara Jackson: "I think the Reform party is behind all this." But Yveland dismisses the objections. "It makes me mad when I see people saying this is Reform stuff," he told Marlow's. "There is

nothing in here that will take away from Canada's tradition of humanity and compassion." He added, "We don't want to be misused by immigration. We want to manage it."

Yveland says that he became convinced of the need for more reforms while meeting with a dozen immigration lawyers in April, 1991, the month that he took over the portfolio. "I asked them, 'If you were in my shoes what would you do? I had a round-table discussion—with none of them agreeing. I knew then that we had a problem on our hands.' He was concerned that Canada's existing immigration laws were flawed, in his words, "for simpler times," and that new legislation was needed to address "the enormous pressures exerted upon the immigration program by mass movements of peoples throughout the world."

Yveland has received some support for his legislation. For one thing, RCMP spokesmen say that the bill could help to curtail the smuggling of immigrants into Canada. And although Yveland acknowledges that potential refugee claimants would face far greater scrutiny under C-86, he insists that such measures are necessary to discourage criminals, terrorists and potential welfare cheats from entering the country. "Canadians don't want to be taken for granted," he said. "It's all right to be soft-

hearted, but you should not be soft-headed."

Although few supporters question Yveland's political acumen, critics say that he lacks compassion. In July, when Yveland announced that Canada planned to open its doors to more refugee claimants from the former Yugoslav republics, he came under intense pressure to offer similar assistance to refugees from western Somalia. Says Liberal immigration critic Warren Allmand: "He's the kind of fellow you'd like to play cards with: have a drink with him, he's charming, kind of guy. But he is the worst master of disguise we've had in long memory. He has no heart." Allmand said that Yveland is a low-end-order minister who rarely accedes in individual cases of extreme hardship. "The man has approached clients of his department as if they were chameleons on a chessboard," adds Allmand, "and if they weren't home heings."

Yveland concedes that he dislikes counter-attacking decisions made by his departmental officials. But he bristles at Allmand's charge of heartlessness. In fact, he added, he has become more understanding and generous since his 1989 electoral defeat. Yveland, who suffered broken bones in his face and lost the sight in his right eye, subsequently pleaded guilty to

driving while impaired, paid a fine of \$600 and was fined as minister of commerce and corporate affairs. During his recovery, the Minister finally took time out from his ill-fated trip. After a summer home for a week, and seven months after his resignation, he returned to cabinet as minister of fisheries. He now drinks no more than six occasional glasses of wine. In addition, he says, his "perspective on life" has changed, leaving him "more balanced and more generous to myself and others."

Clearly, Yveland has overcome his embarrassing accident to become a major force within the Conservative party. Colleagues say that he has brought "unbelievable energy" to the immigration portfolio. "Nearly everyone who knows him concurs that he is destined for greater things," says Harry Neale, a veteran Tory organizer and Ottawa-based lobbyist. "To call him a rising star would be an understatement. He got a great start—a great political start." So far, at least, Yveland's smooth handling of Bill C-86 seems likely to attract more supporters than opponents, enhancing his reputation in the Conservative galaxy.

GLEN ALLEN in Ottawa



WHEAT SHIPMENTS HALTED

The Canadian Wheat Board suspended grain shipments to Russia after the cash-stoppelously bid \$1.5 billion behind its. But officials said that shipments may resume soon—perhaps in a matter of days. Still, one wheat board spokesman said: "The Russians have made a modest payment and given us a plan on how they will deal with their arrears."

MONKMAN STANDOFF

Angry Monks who staged a food-bank stand-off with Quebec provincial police at Kamouristie, near Oka, Que., after the police withdrew and the natives departed. The late night confrontation, at the site of the 11-week 1990 Mohawk crisis, occurred after the Mohawks, many of them angry over the continued presence of Quebec police on the 17-hectare, 16-Mi. property, decided to bring up a native police force to patrol the area.

CHANGING THE STREAM

The Saskatchewan government proposed a major reorganization of the province's \$1.5-billion health care system, including the creation of an agency as 30 regional health boards to replace existing local hospital and health services boards. Saskatchewan is the latest of several provinces to consider sweeping health policy revisions in order to control costs and eliminate duplication.

NOT GUILTY

Quebec City radio journalist Benoît Proulx, 44, connected last fall to the October 1989 murder of his former girlfriend, after one of the province's most sensational trials, was acquitted by the Quebec Court of Appeal. The court said that Proulx's conviction for the shotgun slaying of Francis Alim, 21, was "speculative" and "unreasonable."

THE PRESCOTT SCANDAL

The child sexual abuse scandal in Prescott, Ont., 40 km south of Ottawa, charges against 28 men as police had charged against 35 more people. Since the scandal erupted in February, 1990, 230 charges involving 165 alleged victims have been laid against 46 people.

THE TAKE FROM THE GST

The six goodword \$18.2 billion in the 1990-1991 fiscal year, \$1.6 billion less than former department expectations. So far, the trend this year is even worse. In April and May, the cut produced only \$1.9 billion, only 26 per cent less than during the same period last year. Officials blame the shortfall on the recession.

THE FIXERS

The latest installment of Canada's longest-running melodrama featured a familiar cast, a plot that mixed surprising twists with long stretches of tedious dialogue, and a still entirely uncertain conclusion. At times, the 17 principal characters—21 first ministers, two territorial representatives and four native leaders—seemed enthusiastic about their roles. At other times, they were disheartened or confused. And the early tension from Canadians to their effects ranged from mild encouragement to indifference or hostility. Despite that, the political leaders last week moved surprisingly close to the end of an ultra-wrenching episode in the country's constitutional history. After a 10-hour session in Stanley, Prime Minister Brian Mulroney proclaimed: "We do not have perfection tonight, but we do have a fair and honorable compromise which will strengthen Canada."

One by one, the other participants agreed. But they cautioned that agreements remain to be finished out in detail, beginning this week in Charlottetown. Over five days of negotiations in Ottawa, the leaders achieved a consensus by doing what most observers had thought was impossible: compromising in order to accommodate the vast differences in their differing personal visions of Canada. If it holds, and then every federal minister, their representatives and provinces will produce a series of sweeping changes—in the country's federal governing structure, in relations between Ottawa and the provinces, and in the daily lives of Canada's one million native people. For millions of Canadians, the agreement also offers the hope of relief from an

THE PREMIERS AND PRIME MINISTER SURPRISINGLY AGREE ON MANY MAJOR CHANGES

acrimonious, exhausting constitutional debate. In fact, the future of Canada will be seriously endangered if voters reject the proposal in any of the several provincial referendums that will have to be held before the agreement can take effect. The emotional and political repercussions from a "no" vote would almost certainly be far more widespread than the ill will caused by the 1990 collapse of the Meech Lake accord—when disappointed supporters of the agreement were able to pin the blame on a handful of elected officials. Reaction at the agreement in English Canada would certainly fuel the separatist cause in Quebec, a worry that led New Brunswick Premier Frank McKenna to urge Canadians to "reflect on the balance of this agreement and the consequences of failure." Said McKenna, referring to last week's package: "There is no alternative that any of us have identified."

For now, the package's chances of survival rest on retaining the confidant support of a politically sensitive group of first ministers. The most threatened are Quebec Premier Robert Bourassa, Manitoba Premier Gary Filmon, Alberta Premier Donald Getty and British Columbia Premier Michael Soosay. Each of these faces strong criticism at home over the compromises they have made. In Quebec, nationalists suggest that Bourassa, by agreeing to a Senate with equal representation from each province, effectively renounced the province's traditional vision of itself as home to one of Canada's two founding linguistic groups (page 16). Filmon, Getty and Soosay face a conflicting charge: that by agreeing to guarantee Quebec a permanent right to 25 per cent of the seats in the Commons, they have effectively granted that province special status (page 16). Declared a frustrated advisor to Mulroney: "If people in the West would read what the Quebec media are saying about this—or vice versa—they would either think they were getting the deal of a lifetime."

In Robert Bourassa's case, the belief that Quebec should have greater autonomy within Canada began at an early age. As a child growing up in a lower-middle-class Montreal neighborhood in the 1930s, he was struck by the

fact that his father, a federal civil servant, was forced to speak almost entirely in English. In the early 1950s, he discovered that his well-known father-in-law still had to deal in English when

he negotiated contracts with the federal government or wrote memos to his employer. But unlike many Quebecers who kept through the Quiet Revolution, Bourassa did not overreact to the shame of inferiority. Instead, he became a confident and pragmatic free-willier, whose political instincts were shaped by his tutor at Oxford University in the 1950s—a pipe-smoking socialist named Harold Wilson, who later became British Prime Minister. During that period, Bourassa took to heart one of Wilson's favorite sayings: "In politics, a word is a long time—and a year is an eternity." Often characterized as emotionless, Bourassa, according to his friends, holds his countries

dearly. But he is less concerned with the emotional aspects of political debate than with hard-nosed reality. Said François Cloulet, a psychiatrist by profession and a key member of Bourassa's first cabinet in the early 1970s: "He is willing to endorse virtually any kind of political system as long as it is one that works in concrete terms and is fundamentally sound democratically."

In many ways, the response to last week's agreement resembled the fallout from the Meech Lake accord of April, 1987. Then, as now, Quebec nationalists accused Bourassa of failing to protect the province's interests. Others, however, the closest-door nature of the talks and their apparent haste. But the latest deal is far broader in scope than its predecessor. The Meech Lake accord was aimed entirely at winning Quebec's support for the con-

stitution in the wake of the province's refusal to accept the 1981 constitutional deal. Some key elements in the current agreement:

- Reduction of both the Senate and the House of Commons. The Senate would become an elected body with six representatives from each province, one from each of the territories and, possibly, several native representatives. As compensation for its loss of senators in the voting body, Quebec would be given 18 more Commons seats and guaranteed that its Commons representation would never fall below 25 per cent of the total.

- A recognition of the right of aboriginals to govern themselves—and a commitment to create a third, nationally recognized level of government for aboriginals alongside the existing federal and provincial structures.

- As offer to transfer powers to provincial governments, including jurisdiction in areas such as immigration and telecommunications. The final package promises each province a veto over any future changes to federal institutions. The veto will not apply to future provincial status for the two northern territories, but to the degree of their participation in federal bodies. As well, each province will have the right to apply some terms of the agreement



Getty at the conference table; Mulroney (below) achieving a consensus by doing the impossible—compromising



Photo: G. G. G. G.



the reformer Senate would have insufficient powers. Some Quebecers, meanwhile, complained that the province had failed to get a revision to the federal powers.

As the value of the Canadian dollar rose, and Canadian bank prices registered sharp gains, auto makers concluded that the country's pro-kept constitutional talks was to moving at last.

QUOTE OF THE WEEK

"A census is a strategic tool, but it works—it has no education."

Quebecer Senator Claude Charbonneau after critics said that the proposed new Senate reform had a term designed by a committee—a census.

After five days of intense, closed-door talks, Canada's first ministers reached a general accord on constitutional reform. The tentative agreement included plans for a national Senate with six members from each province, native self-government and plans to give additional powers to the provinces. When the talks resumed Saturday night, the negotiators announced broad agreement: to proceed on all major issues, but with details still to be settled in further talks. In other developments: a crisis of the deal in Quebec Canada until the

cal optimism which almost shattered the fragile deal. It Quebec received 18 new seats and a guaranteed 20 per cent, new minority educational seats above other provincial issues? The premiers and their officials pulled out their calculators and their population charts. Quipped Mulroney outside the negotiating room: "I don't like the way I've looked at a constitution of chartered acquaintances." Finally, the majority agreed they allowed 10 minutes to Ontario, four to British Columbia and two to Alberta.

The momentum created by the Aug. 29 Senate breakthrough carried over to Thursday as the negotiators approached the second constitutional leader: the aboriginal people. As he had done day earlier, Mulroney opened the session by emphasizing that the goal was a unanimous agreement. It was an ambitious target. The July 7 package had offered across the right to govern themselves but it did not define the limits of that commitment. The governments of Newfoundland and Quebec charged that the open-ended agreement would effectively allow judges to define those rights, and Quebec founder never gave up of last to more groups. Meanwhile, other provincial delegations were expressing concern about the first negotiators' failure to define or limit aboriginal powers.

Native leaders were alarmed. After they reviewed Clark's as an ally, they were less sure of Mulroney's upholders behind, despite the fact that Assembly of First Nations National Chief Ovide Mercredi, arriving as late late for the evening session, had confidently brushed as spokesman. Then, after leaders acknowledged that few of the premiers seemed strongly committed to their rights. In consequence, the entire package was as precarious. Said Mercredi to his allies: "The only premises we can rely on is our own and Roseway's."

As the meeting continued various participants outlined their concerns. To reach a solution, the leaders—accompanied by a handful of lieutenants—agreed to separate meetings. It was a striking departure from Mulroney's traditional negotiating tactic of confining the principal players to the same room. That the talks deteriorated quickly into a confusing, and ultimately fruitless, effort. The session was abandoned by mid-afternoon.

Monday then turned to Roseway, who four months had championed the entire cause. The premier broke into separate chambers with Rose moving among them. At the most negotiating table, premiers who had no problems with the July 7 package—including Mulroney and Prime Minister James D. Wilson—were joined after discussions. Meanwhile, Clark, Mulroney and Clark met with Wells, Bourassa and the four aboriginal leaders in an adjoining room. Sometimes these participants conferred together; sometimes they held a smaller group like the one reviewed a last-minute deal from the Prime Minister of Canada and began to draft

comprehensive proposals as Mulroney and Mercredi pushed their own agenda. But there were too many participants—and too many suggestions—in the end. Negotiations were over by the time, leaving Rose in his solitary house.

Throughout his 40-year political career, Bob Rae has established a strong sense of obligation towards the less powerful and the less privileged. In 1984, Rae is the son of a retired diplomat. And now, the former Canadian ambassador to the United Nations, Friends say that Rae's childhood spent in his father's seclusion of cultural and linguistic diplomats' jobs—complete with servants—later emboldened him during his years as a Victoria school student. It also solidified his belief in legal and political order, including his approach to Canada's constitutional crisis.



Wells (left), Kingston: 'We are drafting language to accommodate your concerns.'

raise or share a diluted diploma's double of dual positions. As a pragmatist who desires change and who is willing to consider compromise—such as an equal Senate. And because of his strong sense of civic duty, and his conviction that the federal must help the less fortunate, Rae has always worked out in groups rather than as the aboriginal. Says his childhood friend, writer Michael Goulet: "Part of the sense of privilege that came with growing up around someone who also a sense that it was owed. Some of Bob's habits do become active in politics has to do with that."

Thirty minutes later, the Ontario premier came back with what subsequently proved to be the minutes of a compromise. To ensure Wells, these were taken as the power of the courts to define self-government agreements. In cases where talks between native groups and provincial representatives had broken down, judges would be empowered to order the two sides to resolve at arbitration. But they

could not impose agreements unless it could be shown that the two parties had negotiated in bad faith. As well, courts could only review self-government agreements that respected the need to maintain "peace, order and good government." Finally, the agreement stipulated that the right to self-government did not confer the right to additional land.

The matter rose mood evaporated as soon as the negotiators reached an agreement. Although Mercredi had dismissed Bourassa as an "Indian fighter" in early August, he refrained in his slight last week, saying, "I have a very high regard for him and always have." In return, Bourassa voluntarily defended his decision to endorse self-government in the face of hostile questions from several Quebecers.

But a man with the powers agreeing to such complex, controversial issues in Senate reform

and aboriginal rights, numerous hurdles remain. One, overriding concern is the widespread cynicism towards politicians in general and the constitutional issue in particular. Frustrated voters may simply turn thumbs down on any proposal presented by their elected leaders.

The challenge for those leaders now lies in convincing their constituents to accept the same compromises. Last week's settlement was the result of hundreds of hours of meetings by politicians who had come to accept the need for flexibility and delicate trade-offs to preserve the country. Until now, their inability to craft a final deal gave common citizens the impression that the entire unity crisis. Since, Canadians may have to choose between accepting their leaders' vision of a unified Canada—or a full-scale secession like to blame.

ANTHONY WILSON-SHREVE with J. KAYE
JULY 1991 GLEN ALLEN and MARK JANSSEN
in Ottawa



Washburn: 'I call it the Triple-E: inefficient, ineffective and elitist.'

A TOUGH SELL

DIVISION RAGES ABOUT THE SENATE

The first members emerged from the Ottawa conference room with blemish-free, clearly confident that they had achieved a critical breakthrough. But amid swirling the Senate reform proposals of many other Canadians were left to wonder why their political leaders were so pleased. The proposal—which provides for an essentially elected and equal upper chamber, along with a clearly expanded House of Commons—came under immediate attack from the opposition. Predictably, the outcry was loudest in Western Canada, where critics complained that their region's aspirations for greater power had been lost. Declared the Reform Party of Canada Leader Preston Manning: "It will never be in Alberta or in any other Western province."

And in Quebec, nationalists criticized premier Robert Bourassa for accepting the principle of equality among the provinces in agreeing to an equal Senate. By would-be, the backlash against the proposal seemed to be gathering force and the premiers were preparing for a major selling effort.

They face a formidable challenge. Opposition to the proposal appears to be strongest in the four western provinces. Indeed, the deal appears to extend the political clout of Ontario and Quebec by giving them additional seats

in the Commons, a prospect that displaced new residents of the Atlantic provinces as well as Western Canada. Opponents of the deal also complained that it represented a step away from one of the tenets of parliamentary democracy—representation by population. Said Donald Denney, a professor of political science at the University of New Brunswick in Saint John: "When you look at the time spent on this and how little was achieved, you don't know whether to laugh or cry."

How ultimately, however, Canadians may have to take themselves whether the first assumption could have done a better job of selling the Senate. For all its positive features, the new package represents a compromise between the West's demands for equality and Quebec's insistence on preserving its influence in Parliament—two objectives that, if not reconciled, could pull the country apart. And while the reform Senate would not have as much power as many Canadians might have wished, it would not be toothless either. It would be able to delay the passage of controversial legislation for 30 days and force a vote in a combined Commons-Senate sitting. As elected representatives, senators could also legitimately claim to be their provinces' spokesmen, giving them a clout that is denied

to members of the existing, appointed body. Despite that, many West-area members last week felt they had been let down. "It is a disappointing package," said Edmonton mayor John Peter Weschich after filing a raft of calls from interviewers who expressed opposition to the proposal. "I call it the Triple-E: inefficient, ineffective and elitist."

The plan would 42 new seats in the House of Commons also drew criticism. The four Western provinces would receive a combined 37.3 per cent of the seats in the new Commons, compared to 20 per cent in the existing House. However, overall Western representation in Parliament—Senate plus Commons—would increase to 38 per cent from 27.6 per cent. "We give up power," concluded Bobbie Sparrow, Conservative MP for Calgary Southwest. Atlantic Canada's combined share of Commons seats would also decline—although the gain would continue to be overrepresented on the basis of population.

Concerns even among those who generally favor the deal, focus a widespread concern that guaranteeing Quebec a minimum of one-quarter of the seats in the House of Commons would conflict with the principle of representation by population. Although Quebec is now about 23.9 per cent of all Canadians, its share of the national population has been declining gradually. Unless the trend reverses itself, Quebec will eventually be overrepresented in the Commons. Concord University of Calgary professor David Bourassa: "We are set to throw out a concept on which the House of Commons has been based for the past 125 years." Proponents, however, note that the principle of representation by population has never been applied strictly in Canada: none of the provinces (all except Ontario, Alberta and British Columbia), and the two territories, now have a greater percentage of Commons seats than of the total population.

A more immediate concern, given the weak support for the deal, is engineering the proposal's passage. When Premier Robert G. Chisholm, Minister of the House of Commons, announced that a reform Senate and an enlarged House of Commons would cost taxpayers an additional \$360 million a year. About \$100 million of that expense would be attributable to the new Senate, whose members would require larger office staffs and bigger budgets to perform their new duties. Enlarging the House of Commons, in addition, would require an additional \$240 million to that chamber's current annual budget of \$238 million. There would also be the cost of renovating the House of Commons to accommodate the new members—and the expense of Senate elections. Declared Manning: "We're going into very, very uncharted waters. It's weeks ahead of time that they also will face a challenge: confronting aboriginals that a reformed Senate and enlarged House of Commons are not worth the price."

JOHN DEMING in Halifax with JEAN MARSH in Calgary

THE BATTLE BEGINS

BUSH RALLIES
REPUBLICANS
BY PLEDGING
TAX CUTS AND
PROMOTING
FAMILY VALUES

Northern America's economic up-
gush gave evident life in the des-
perate streets of Houston's Fourth
Ward. Within sight of the glowing
office towers of the Texas oil capital, and just
north of the Houston-National
Astronautics center, the National
Covenantal center, George Bush and Dan
Quayle as their presidential and vice-presiden-
tial candidates for the Nov. 3 election, flew last
month uncollected garbage in weed-choked
empty lots. Bare dirt paths ran between
boarded-up businesses and peeling, discolored
residences. Even in daylight, their reflections
the drug- and violence-ridden neighborhood as
villages in the lunar August haze. "You got to
watch what you say," one resident cautioned
before answering questions. "I don't want to
wind up with a bag on my toe." In the Fourth
Ward, the conservative prescriptions of under-
teens live alongside and old-fashioned family
values elicits little more than a scornful laugh
from most listeners. "You thank you're going to
get businesses here to hire people?" asked John
Flores, who operates a cluttered two-lane din-
ner shop at the corner of Gray and Bailey
streets. "Sweet days I can't even have hoped."
Painting to the stock of old cars between that
corner has battered roads, he added. "Look at
me, I don't even have lights on my jeep."
Millions of other Americans are asking
Flores's question—and demanding action to
remedy it. With the election just two months
away, voters in every region and tax bracket
say that the economy is their top concern. And
more than 90 per cent of those, according to
some polls, say their real change is needed in
the direction of the economy. The steady econ-
omic mood of change added to the pessimism
during 2,116 voting delegates wrestling with
debates over abortion, intellectual values and
the economy at the Astronautics



The Bushes acknowledge cheers at the Houston convention: a question of trust

With Bush and Quayle trailing their Demo-
cratic rivals, William Clinton and Albert Gore,
by as much as 35 points in some polls as the
end of the convention, even Bush's allies were
anxious for him to offer a clear declaration of
how he plans to reverse the recession-hit econ-
omy—and his presidency. The answer, which
a final came last Thursday night, was direct,
concise—and deeply conservative. Offer-
ing voters what he said was a choice between
"the tired rhetoric of bureaucracy" and
"freedom and innovation,"—including accusa-
tions of tax cuts—Bush declared: "This
election is about change. The question is, who

do you trust to make change work for you?"
By the close of the convention, Bush had
plainly breathed new life into many of his
party's floundering. "I thought it was wonder-
ful," and Iowa delegate Karen Hempen of the
President's speech. "It was what I wanted to
be heard. I think the American people are going
to understand what George Bush wants to do
for this country." Still, the same warning
from the Republican faithful could not entirely
erase a sense of earlier sorrows. Most mes-
sages from both the convention floor and Bush
himself, a sharply pitched-out drama over
abortion and discrediting reports on the per-

formance of the U.S. economy all served to
underscore the air of combat-ready confidence.
Still, Bush and fighting words to open what
is certain to be one of the most bitterly contest-
ed presidential races in recent American history.
Bush's display of widely expressed
doubts about his personal health, the 68-year-
old Bush publicly noted at the outset that "I
feel great," then quickly claimed credit for
marvelously positive emotional develop-
ment of the past four years. Asking his audience
to consider "what we've done," he recited a list

party can best left America out of its economic
doctrines. Although Bush himself made only
competitively mild references to the subject,
the crowd's potentially explosive theme of
so-called family values ran through the four-
day convention like a moral and emotional
thrust (page 32). Several Republican speakers
urged it separately to question Clinton's
outrageous personality, his lawyer's role in
the president's case and the Democratic support for
the protection of homosexual rights.

The most virulent attack came from Patrick
Buchanan. The unsuccessful right-wing chal-
lenger for the Republican nomination berated
Hillary Clinton, the wife of the Democratic
candidate, for embracing "radical feminism."
But Quayle also joined the attack, telling a
wildly cheering audience that "Americans try
to raise their children to understand right and
wrong—only to be told that every socialist
theory alternative is a morally equivalent. That is
wrong." What divides his party from the
Democrats, declared Quayle, "is the difference
between fighting for what is right and refusing
to see what is wrong."

The strictly moralistic base of those and
many of the other addresses to the Houston
convention may have consolidated Bush's stand-
ing among the evangelical and fundamentalist
Christians who populate much of his party's
right wing. But it also provided a clear field for
Clinton's claim to represent the more moder-
ate center in U.S. politics. Said the Democrat:
"This Republican party has obviously been
taken over by the extreme, intolerant right
wing."

And there was more than Clinton's counter-
proposal to leave the Republicans last week.
Indeed, some of the reasons were self-inflicted.
Democrats adopted a platform proposal to
amend the Constitution to effectively ban abor-
tion—dispute surveys showing that over 71
per cent of registered Republicans oppose the
measure. At the same time, mixed signals from
the White House and Bush himself about the
abandonment of a widespread support for the
New 31 election reinforced the impression
of a campaign in trouble. And the release of
government figures showing the largest surge
in new unemployment claims in a decade an-
nounced the fact that, by several key yard-
sticks, the U.S. economy has suffered its worst
four-year performance since the Depression.

Still, the Houston convention plainly pro-
duced the so-called house in public opinion
that the Republicans had counted on. A clutch
of polls taken during the week but before
Bush's speech, showed that the Democrats
lead had shrunk to somewhere between five
and 12 points. Whether that indicated the start
of an irreversible trend was clearly far from
assured. Indeed, about the only certainty was
the one uttered by Vlad Gredyuk, an unem-
ployed welder at the Fourth Ward, who he
whispered as an observer to the shade of John
Flores's garage. "The majority always wins,"
and Clinton. So far, the majority in America
means up for grabs.

CHRIS WOOD is a Houston

World Notes

THE ULTIMATE SCORPIOPE

Unit of Nations peacekeepers in Durango,
Colombia, held a memorial service for Sgt.
Michael Rapp, the first Canadian to be
killed while after an armed terrorist. Rapp,
32, a combat engineer from St.
John's, Nfld., and a married father of two,
died on Aug. 17 when his truck was blown
up by an anti-tank mine. Three days later,
a 15-minute peacekeeper in the Russian
capt. A. Sazorenko, was killed by sniper fire.

SABOTAGING IRAG

Iraq officials said that they would defy
the United States, Britain and
France in new force if necessary to stop
any rights of Iraqi planes or helicopters
operating over Saudi Arabia. Iraqis in
southern Iraq. The Western countries
acted after weeks of reports of brutal
reprisals of Shiite opponents of Iraqi
leader Saddam Hussein. Iraq officials say
they may divert and human rights
from Iraq to markets in southern
Iraq, but they deny any attempt to reach
the region.

RUSSIAN CAPITALISM

On the first anniversary of a failed coup by
Communist hardliners, President Boris
Yeltsin announced that, beginning on Oct.
1, every Russian citizen would receive a
"privatization check" worth about
10,000 rubles (\$14) to buy stock in for-
mer state-run companies.

CRUISING DISSENT

Georgian government troops took control
of most of the western region of Abkhazia,
drawing separatist forces from the capital,
Sukhumi. Abkhazians, which declared inde-
pendence from Georgia last year, are in the
stronghold of Georgian president
Zviad Gamsakhurdia, whose supporters
have waged a low-level guerrilla war
against the government of new Georgian
leader Eduard Shevardnadze.

RAMBI FIGHTS ON

After a 10-month inquiry into allegations
that Milwaukee police had framed con-
victed murderer Lawrence (Rambo) Dan-
brecht, Milwaukee Judge William Sharron
said that there was no evidence of criminal
wrongdoing. Still, Hansen acknowl-
edged the police had made "significant
mistakes," including mishandling of evi-
dence, investigating the 1983 killing of
Danbrecht's then-lawson's ex-wife,
Christine Schaefer. Danbrecht, 40, escaped
from prison in June 1993, but was recaptured
three months later in Thursday Bay,
Ark. Extradited in April to Wisconsin,
he is serving a life sentence. His lawyer
plans to appeal for a new trial.

BOSNIA-HERZEGOVINA

'Ethnic cleansing'

Serb warlords terrorize local Moslems

For four months, Serbian warlords have poured the Bosnian town of Gornje Grahovo with artillery and sniper fire as civil war rages in the new state of Bosnia and Herzegovina. On Aug. 15, a United Nations convoy arrived in this city with 40 tons of food—the first aid Gornje Grahovo has received. Since the civil war began in February, the population of the town, about 50 km southeast of Sarajevo from the Bosnian border with Montenegro, has swollen to over 70,000 from 37,000 as refugees from neighbouring towns, mostly Moslems, sought safety. Maclean's correspondent Louise Brown visited the embattled region, where she spoke with both local Serb fighters and terrified Moslems. Her report:

We made the final move into the besieged city under cover of darkness. Our jeep drove without headlights through a village. Roads, whose many lanes had been destroyed, then curved into Gornje Grahovo. The sound of gunfire echoed in the distance. My Serb escorts, made bolder by local phone lines, swaggered into the local militia command post. "Don't worry," said the bearded and tattooed "Cage" (short for gorilla, across the river from Sarajevo). "The sniper can't hit here." His wife: "This should come from the west with us. Then you'll really see what's what. This belongs to the Serbs and will stay. Serbs never lose."

That night, 32 Serb fighters snaked across the River Cetina right onto what for them is the town's site, the heart of mostly Moslem Gornje Grahovo. I felt neither leave nor foolish enough to go alone. I could have been among the three Serbs who did not make it back, including one killed by a Moslem sniper. There was a lot of drinking among those who did return, as well as talk of "terrible Muslims." Said one fighter: "They will burn to pieces of wood. I put some back tonight."

The Serb warlords are mostly uneducated, their numbers swelled after weeks on Friday nights by part-time fighters known as "weekend warriors." They are unmerciful to several local warlords who remain leaders from political leaders in Serbia and Bosnia. The men talk in catastrophic bomb phrases. But there seemed no further anarchy, only a few nervous Moslems in the town, ripe and kill it, as it was said. "Each week for three weeks" is the job in a clock in a real case.

One of the most feared local warlords is "Major Chetko," whose real name is Mladen Dacic. In an interview at his forested house in the village of Opat, across the nearby

border in Montenegro, he typified the level of local commander being used by political leaders in Bosnia and Serbia to carry out "ethnic cleansing"—the systematic purge of Moslem and Croatian civilians from their traditional homes. Major Chetko, 36, looked like Karpis, with the mischievous bowing head and hair that identify Serb warlords known as Chetniks.



A baby undergoes surgery without anesthesia in Gornje Grahovo: a lack of supplies

They take their name from the Second World War militia that fought for the resistance against the Nazis and later against the Communists. He noted old fronts where he had fought, a lot of towns that are synonymous with signs of killing: "Fukova, Gornje, Bijeljina, Krapina, Cakula, Gornje."

The warlord had recently come back to his home in Montenegro to set up a local branch of the Radical Party, headed by Belgrade politician Vukobrat Stojiljkovic. It is a name that needs a click through both neo-Serbs and moderate Serbs alike. Stojiljkovic is a famous-style nationalist who is widely considered Serbian President Slobodan Milosevic's alter ego, carrying out acts of terrorism without linking Milosevic directly to them. Milosevic has publicly praised Stojiljkovic as "the politician I admire the most."

Major Chetko wields such power that even the police in the nearby Montenegro town of

Prijepolje cannot control him. Moslems, who make up around 58 per cent of the population, say that over the past few weeks the warlord had gathered together a military crew, which he claims to be about 4,000 men. Said one Moslem school teacher: "They are mainly people who are out of work. Many of them are former students of mine who didn't manage to graduate." The Chetniks have begun a now-familiar pattern of terrorizing local Moslems: raising shop windows, making threatening phone calls and monitoring accurately to people on the street that "there will soon be some very nice vacant properties here."

Almost half the Plehva Moslems have left in the past two weeks. The final pusher many of them came earlier this month when local police imprisoned Major Chetko for entering with his men around town, tearing down pictures of former Yugoslav leader Marshal Tito and poi-

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PWA employees protesting in Calgary trying to save their cash-strapped airline from a merger with Air Canada

BUSINESS

THE RISK TAKERS

Story Partridge is an unlikely white knight. General and soft-spoken, he retired as the vice-president of Calgary-based Canadian Airlines International Ltd. in February after a 24-year career at the Canadian airline industry. But Partridge, 48, says that when he learned in July that merger talks between his former employer and Air Canada of Montreal were under way he was inspired to devise a bold plan to prevent that from happening. By raising \$500 million from employers and outside investors, Partridge intends to get Canadian Airlines out of its troubled parent company, PWA Inc., back on their feet and avoid the interest of American Airlines

EMPLOYEES ARE STEPPING IN WHERE BANKERS FEAR TO TREAD TO SAVE TROUBLED COMPANIES

Inc. of Fort Worth in a critical partnership deal. So far, five of PWA's six unions, as well as its regional stakeholders across Canada, have ruled behind him to form the Council of Canadian Airlines Employees. And even provincial governments, which usually rejected the notion, are now allowing fiduciaries of unions. "I was happily ordered—sitting on the bench, drinking beer," said Partridge. "But I couldn't stand to see these people sold out. It has taken years of employees' trauma and adversity even to get this far." Partridge's worker-led rescue mission, however, is more than one man's altruistic crusade to save jobs and corporate pride. Indeed, a

growing number of Canadian companies are turning to their employees as a lifeline. As at PWA, employees are responding with everything from temporary wage concessions and voluntary layoffs to actual buyouts of the company. Says Allan Gibson, a professor of man-

agement at the University of Calgary: "Historically, company management has kept the ball away from the troops as long as possible. But the 'no' and 'there' approach is breaking down under all sorts of new economic pressures—and management is often surprised by the commitment of workers in a crunch."

Certainly, the employees of PWA will need all the commitment that they can muster in order to address their company's financial woes. PWA is losing about \$1 million a day, not to mention a rise in borrow as capital because of its already heavy long-term debt load of \$1.5 billion and its weak share price (from a 1986 high of \$9.37, PWA closed last week at \$2.93). PWA's weak balance sheet also destroyed the anticipated deal with American Airlines. Citing the company's shortage of funds, American broke off talks that would have led to a \$250-million injection into company coffers. When that deal collapsed, a merger with Air Canada became a last resort for PWA even though about 10,000 jobs would be lost as a result.

Despite the size of the challenge they face, the PWA employees are not alone in refusing to passively accept the loss of their jobs and the demise of their company. Since the recession began in April, 1980, and the competitive pressures of global trade have increased, employees have purchased such major companies as Algonquin Steel Inc. in South St. Mary, Ont., and Sparco Pulp and Paper Co. in Kapuskasing, Ont.

Workers also attempted, unsuccessfully, in 1986 to purchase operations from Ingham Ltd., a U.S.-based large-appliance company that was moving jobs from Canada to larger plants south of the border. Currently, the efforts of PWA employees are mirrored in the United States at bankrupt Trans World Airlines Inc. of New York City. In exchange for wage and benefit cuts, unions are proposing to acquire a 49-percent interest in the company over five years. Although worker investment in small, healthy companies and start-up ventures is receiving increasing encouragement from provincial governments in the form of tax credits and support programs, most major employee buyouts will occur only when management has exhausted every other avenue of relief. Because of the uncertainty in cases where workers take on an unfamiliar ownership role at the same time as they struggle to save a troubled company, labor unions are frequently reluctant participants in the process. But the success of the Canadian Airlines Employees' rescue mission, if it succeeds, will show that workers' own efforts to save their jobs can be a powerful force.

UNITED THEY STAND			
Air Canada United Airlines			
Chairmen	Charles Taylor	Stephen Wolf	
1991 Revenue	\$3.57 billion	\$12.4 billion	
1991 Loss	\$218 million	\$381.7 million	
Employees	20,000	75,000	
Fleet size	102	524	
World rank by passenger miles	21	3	

Business Notes

LOW TIMES

Statistics Canada reported that the nation's inflation rate increased slightly to 2.3 per cent in July from 2.1 per cent in June. Despite the new jobs, Bank of Canada officials have clearly concluded that inflation is under control and that they can raise their high-interest rate policy; the bank lowered its benchmark rate by 0.06 percentage points to 5.11 per cent, its lowest level in 10 years.

CAMPAIN TILES THE GOODS

After the Ontario Court of Appeal refused to grant any further delay, disgraced financier Robert Campeau will turn over two cars, eight paintings and a telephone system to Canada Corp., successor to Campeau Corp., a Campeau spokesman says. Campeau and his wife, Eve, kept the goods, valued at \$1.35 million, after his board ousted him as chairman in 1990.

WANG DECLARES BANKRUPTCY

Lowell, Mass.-based computer manufacturer Wang Laboratories Inc., founded by Harvard-educated Chinese immigrant An Wang in 1951 after a Boston hardware store, declared bankruptcy. The company's Canadian subsidiary, Wang Canada Ltd., said that it had no plans to do the same. But the actions of the U.S. parent cast further doubt over an affidavit filed between Wang Canada and the Manitoba government. The province offered \$4 million worth of computers in 1989 after the company promised 70 jobs and \$23 million worth of investment in the province.

TOKYO BOUNCES BACK

The Tokyo stock market soared after Japan's finance ministry issued an announcement promising unspecified assistance to banks and investment dealers hit by the steep decline in stock prices so far this year. The benchmark Nikkei index closed at 16,217, up by 1,397 points for the week, or nine per cent of its value.

CASH-POWERED GROWTH

Because of spending by new residents on homes and appliances, the Conference Board of Canada predicted that British Columbia's economy will remain the pace-setter in Canada, expanding by 3.3 per cent this year and by as much as 4.4 per cent in 1993. In contrast, the private Ottawa-based research institute forecast that Newfoundland's economy will shrink by 2.8 per cent in 1992 as a result of the coal-firing moratorium. For Canada as a whole, the board predicted 1992 economic growth of 2.7 per cent.

ownership just means you lose your life savings as well as your job as the end. That's no solution to anything."

Rogers's critics say that PRA employees may be taking desperate financial measures to salvage a lost career as evidenced by Robert Friedman, an Ottawa-based aviation industry consultant. Friedman notes that the fundamental structural problems in the Canadian airline sector make investment by PRA employees questionable. "We're talking about a bleated industry with profound overcapacity," says Friedman. "How are employees going to cash out as their value goes to zero much more than they're really looking for?"

When it became apparent that Airplane Steel was destined for bankruptcy and that 8,000 workers faced losing their jobs, the United Steel Workers of America began to advance the notion of an employee purchase plan. But the Canadian branch of the union went to extreme lengths to ensure that workers were not draining good money after bad. In exchange for five years of reduced wages and benefits and the suspension of their right to strike, workers got more than a 40 per cent equity stake in the company—they got effective control of day-to-day operations. "Uganda has become the Canadian case study," said John O'Grady, a Toronto-based economic consultant. "The new collective agreement between management and workers is absolutely unprecedented."

Butler says that the constitutional corporate structure, which is geared to producing the highest possible value for shareholders, the steelworkers devalued a new one which reflected their objectives: preserving jobs. To find out what employees was given the right to vote an decision usually reserved for senior management. Worker approval is now required for Airplane managers to enter outside fields like Miller or the steel industry as a whole. They also require permission to leave new shares, which could dilute the water equity. Similarly, the union has authority over new training programs and technology. "The objective is to give as much authority as possible to the workers running the job," says Jennifer Delaney, research director for the steelworkers in Canada. "The result is not an unwieldy corporate structure but a bettered organization."

No matter how much case goes into the design of a new regime, however, some problems inevitably remain unresolved. According to Butler, there is no clear division of labor yet to deal with the voting shares and rights of workers who want to leave or retire and those who replace them—especially if the shares increase in value as a result of a turnaround. Steel consultant O'Grady "is all workers aren't going to come to the same state as the

others, you eventually create two classes of workers—which can be explosive." At PRA, the issue of worker equity is already surfacing because of the auto workers' refusal to join forces with the company's other five unions. Indeed, analysts acknowledge that the more unions and the more agendas that are involved in an employee ledger, the more



Spence: Paths pulp mill in Kaposovising, Ont. worker rescue

volatile the company may be. In some cases, beyond this cannot be done without some compromise for dissolution. In 1996, the three principal unions in United Airlines Ltd. of Kib, Grove, Ill., failed to secure full financing for a joint \$5-billion leveraged proposal in part because outside investors expressed concern that their united front was too fragile.

Traditional tensions between labor and management are also at a stake in the block and ecological problems. According to Calgary management professor Calcutt, many managers have trouble accepting workers as partners, let alone as shareholders with a voice in decision-making. "There is no legacy of labor's profit-making," he said. "Employee

owners that military co-operation is better. But the idea are usually to protect and re-entrenched." At Algonia, in fact, workers and managers struggled to overcome late-term issues left over from a 113-day strike just months before they began their new corporate order.

For last part, Patafied says that he is confident that the agency of the situation will help bring management and workers together and help them to get past grievances made. As recently as last fall, several PRA unions refused the company's plan for voluntary wage reductions. "The problem with most companies is a mind-set: you've got to work and I've got to manage," said Patafied. "That won't get you where we need to go." But even where internal conflicts can be resolved, external pressures may prevail. In Europe, where many governments aggressively promote worker ownership, an infrastructure of credit unions, banks and advisory groups to support such initiatives. Even in the United States, legions of lawyers, consultants and investment bankers have already emerged to facilitate on long-term employee buyouts.

In Canada, where banks are generally conservative and the four largest investment dealers are bank-controlled, those resources are far more limited. And in the current economic climate, credit is tight even for companies with strong, proven financial records. As well, Delaney added that "workers face a credibility problem in the financial community. They lost to a very dramatic." To counter those biases, he added that the steelworkers "were not careful with our analysis, held press conferences and issued press documents." Even though Patafied is well-connected in financial circles through his former job, he acknowledges that the company has "a lot of people looking at us sideways."

Despite the journalistic obstacles, PRA's board of directors spent two days in Vancouver last week looking at Patafied's survival plan. He showed with officials in the British Columbia government, who were not there to provide a \$50 million to \$100 million in return package as well. Although Patafied acknowledged that "my wife thinks I'm crazy—she's just shaking her head," such caution may be warranted, as is clearly in the minority.

ERINNE MUMFORD



Queen's Quay in Toronto: Family-owned assets are included in the new plan

A final gamble

O&Y bets on a real estate recovery

Crisis is a rare and precious commodity these days at Olympia & York Development Ltd. (O&Y), the real estate company. Even though its managers have implemented cost-cutting measures, more than \$3 billion drained out of the company each month just to pay for the losses of lawyers and accountants working on the complicated debt-restructuring process. Despite the urgent need to stop the outflow of funds, O&Y spent some of its precious cash in June to hire a market research firm to survey the company's commercial customers for their opinion of O&Y as a landlord.

"The responses reflected overwhelming support for the value of retaining Olympia & York's ownership and management roles," chief O&Y debt negotiator Robert (Steve) Miller later in a news conference but added that clarity, the more telling message is that the founding company is having to rely on such vague attempts as popularity surveys to convince its creditors that the Reichmans may still have something to contribute.

Certainly the company's many creditors expressed dissatisfaction with the ill-defined proposal that O&Y workers take over the construction for restructuring the company's \$8.6-billion debt is based on the Reichmans' willingness to sign up their family assets, of an in-secured subordinated value, into the company. The assets include buildings in Toronto, such as the Queen's Quay Towers, and in New York. In addition, O&Y is proposing to give creditors an

initial 69-per-cent interest in the company in return for debt restructuring. Under these terms, the creditors' share could rise to as much as 80 per cent of the equity in five years.

Under the proposal, the fate of both the Reichmans and their creditors would be linked to the performance of the real estate market during the next five years. If commercial real estate prices rebound strongly in that period, the Reichmans could retain 51-per-cent control of the company. However, if prices languish and the Reichmans are unable to completely repay the restructured loans within the five-year period, the family share could fall to as little as 30 per cent. "It's a crap shoot," said Laurence Geringer, a lawyer representing debenture holders. "They are betting on the real estate market turning around in the next few years. If it does, they get lucky."

The counting out of the restructuring process rank, a bonanza for the creditors as well as the company, is giving both sides an incentive to work rapidly towards an agreement. But the number of creditors and the complexity of their respective situations are slowing negotiations. To make the process easier, the company has now broken the six creditor communications, established in June, into 27 separate groups with similar interests. O&Y managers are designing a proposal for each group and their members will vote on it.

For the restructuring proposal to win approval, creditors representing at least 75 per cent of the value of the debt in each group must

vote in its favor. O&Y president Gerald Greenwald admitted that negotiations with several of the groups are progressing well. David Miller, O&Y's chief lawyer from Toronto-based Dinsdale Ward & Beck, says that voting could be finished by the end of 1996. When the court resumes sitting early next month, it is expected to set a deadline for the votes.

Creditors, on the other hand, say that they are not optimistic that such agreements can be reached—but they are going along with the process for now. "The Reichmans should be given an opportunity to prevent the liquidation," said one lawyer, who declined an interview. "We think that keeping the whole company together should provide the most enhanced value."

Olympia & York is certainly promoting that notion. Miller says that everyone would lose in the event of a company bankruptcy or liquidation. "In the end, everyone will realize that

they will be far better off to consent to a plan that will allow the company to surface these assets back to their investment value," said Miller. "If they don't take us and we go to liquidation, they will not only take but loans trying to sell off the properties in a market where there are no buyers." Miller added that the value of the O&Y franchise is also a property of the assets are broken up. "Toronto still believe in Olympia & York," he said. "If that franchise is lost, then the value of the building will go down because tenants will be less likely to want to stay there." But most creditors continued to express skepticism about such arguments. "I do not know about that," said Geringer, referring to Miller's arguments. "To what extent does that franchise have value now? It is not that difficult to manage a building."

Meanwhile, in London, Paul Reichman continues to race the clock in organizing an investor group to infuse new capital into the \$2-billion Century Wharf project. Creditors placed its last bankruptcy administration in May and British court judge in liquidation will close the end of this month. To prevent that, Reichman has assembled a group including Laurence Tisch, chairman of Loews Corp. and U.S. television network CBS Inc. He and others are prepared to invest \$500 million in the multi-phase development, which owns another \$2 billion.

Despite Geringer's reservations about the restructuring proposal, however, he says that he understands why O&Y is shaking at any straw in its fight for survival. "If I was the Reichmans, I'd probably be doing the same thing," he said. "There is no alternative but to stay in love." Last week the family's lawyers took another public tumble. After railing courts last year, the Reichmans revealed completely from Fortine magazine's list of the world's billionaires.

IRIS KENDRA DAUGLISH



Quayle with wife Marjorie and children in Houston; (opposite) Allen, the Duchess of York, longing for a vanished legend

SPECIAL REPORT

THE 'FAMILY VALUES' THING

THE REPUBLICANS MAKE A MAJOR ISSUE OF MORAL STANDARDS—AND CELEBRITIES PROVIDE SOME EXAMPLES

Those who would treat politics and morality apart will never understand the one or the other
Vincent Morley of Blackhawk, 1876

Once upon a time in America, most people described their spouses, dated on blindfold children and worshipped God. They listened their parents, helped their neighbors, took pride in their work, obeyed the law and venerated the flag. It was a legend, preserved as truth among white, middle-class Americans, that wholesome and dignified, no-coon soda and larders, apple pie, Christmas and early holiday binges. That relatively untroubled life in the relatively understandable postwar world was all but destroyed by the Cold War and assassinations, by legions of marching protesters and the mothers of

solos, by public passions and political immorality. But the very forces that stripped away the old-fashioned American dream have created a longing among millions for its return, even among many of those too young to have experienced it. Last week, the Republican Party having listed the word and selected an adorable mascot, elected George Bush and Dan Quayle the champions of family values and dispatched the president and vice-president to a November showdown with the Democrats.

Emboldened: Bush arrived at the convention for behind Democratic rival William Clinton in the polls, having triumphed in his 1988 campaign promise not to raise taxes and personally admit to the American economy worsened. He left obviously emboldened by four days of adulation and with some polls indicating that he had closed the gap. And he was armed with a strategy that not only plays heavily on nostalgia but draws a line on Clinton, who has been charged for allegations of marital infidelity. Another Republican target is Clinton's lawyer wife, Hillary, who stands accused by some Republicans of putting her career ahead of her daughter. But it is also a strategy not unlike a sword that cuts both ways. Any public scandal in the Bush camp between now and election day would be disastrous. And devotion to family values offers an antidote for stubbornly high unemployment, problems in the public school system, worsening urban crime and other difficulties.

As it happens, it was just a good week for examples of endearing family values from prominent international personalities. Republican delegates reacting to their Houston hotel rooms were treated to last intention remarks from London about the Duchess of York, a 37-year-old Texas millionaire described as her former adviser (page 36). And more distant Woody Allen delivered another denouncing body blow to those traditional values when he acknowledged that he was having an affair with the young adopted daughter of his former companion, Mia Farrow, and her husband, German-born conductor Andrei Previn. The shocking disclosure played out against Allen's custody battle with Farrow in the courts for three other children now living with her. They gave officials in New York a headache, and they were embarrassing reports that Farrow's 17-year-old adopted daughter, Dylan, may have been a victim of sexual abuse, and that Allen was involved in the investigation. Allen angrily denied any suggestion of sexual abuse (page 34).

But in the air-conditioned cocoon of the Houston Astrodome, his grandchild National League baseball Astoria baseball for the duration of the Republican convention, speaker after speaker seemed to be on the GOP's commitment to the old values. The 2,310 delegates were from the right wing of American politics. They endorsed a party platform and cheered speakers who gave voice to their resentment towards welfare abuses, their opposition to gay rights and to abortion, and their unease at the changing role of women and the decline of the traditional family. They had come out for a lecture but for reassurance. At Wednesday's "family-values night," they got it as roiling speakers on the 15-year-old Bush in the role of guardian of traditional values—and he hoped were on Clinton. And they cheered loudly in Bush's good on the podium with his 67-year-old wife, Barbara, and all five children and 12 grandchildren.

One after the other, members of Bush's family eulogized the President with a touch of humor that might well have made a re-appearing proponent of Bush's. They urged Congress to re-elect the man they characterized as an American father devoted to God, family and country. The oldest grandchild, 16-year-old George P. Bush, said that the President, "despite the enormous pressure of his job, always has time for his grandkids. The family is what makes my grandchild feel." While her sisters cheered and wiped away tears, Barbara Bush said

that the parents she and Bush had met in their travels around the country "are determined to teach their children integrity, strength, responsibility, courage, sharing, love of God and pride in being an American." And she spoke of her admiration for strong, traditional, God-loving families and declared the best that they are best by "wise drugs, more violence, more promiscuity than when our children were growing up."

For hundreds of delegates, the rhetoric affirmed their conviction that American society had become decadent and insecure, threatening the adolescent for not working and violating the purpurs of law, art, religious literature and steadily greater social education in the schools. But that view was not unanimous, even among the Republicans gathered in Houston. Some said that family values could not be legislated, but had to be taught, within the family and by the example of people prominent in politics, the arts, business and entertainment.

Others said that they were concerned about the politics of appearing to exclude single parents, nonmarital couples and gays from the Republican mainstream.

But for the most part, the commentators revelled in the celebration of old values—and in their personal as a political weapon. Shortly after the New York Post's alleged assault on Woody Allen's custody fight with Mia Farrow and his affair with her adopted daughter, delegate Kevin Sabe of Fairfax, Va., appeared on the convention floor holding up a sign which read "Woody Allen is Clinton's family-values adviser." It was a second display, but Kevin Sabe's adviser taught the spirit of the family. He gave officials in New York a headache. But Robertson articulated a variation on the theme at the convention when he said that the conservative-minded Clinton "is running on a platform that calls for saving the spoiled son, but never mentions the name of God." Bush's vision for America, Robertson said, "is one of faith in God, strong families, freedom, individual initiative and free enterprise."

Invitation: Not everyone assailed Clinton. At an emotional prayer broadcast on Thursday, Senate Baker, the wife of Secretary of State James Baker, delivered an invocation that may have startled some members of the press. She said, "As the President and Quayle bowed their heads, Mia Baker prayed that 'as we prepare to participate in the presidential election, please help us to be our best selves, to remember that our opponents are human beings.' Quayle was even more magnanimous in prayer: 'Lord, help us to follow you as that we may better lead others.' He seconded the prayer broadcast. In the hard campaign ahead, help us to never boast, not to be unkind and above all help us keep that truly precious gift, our sense of humor."

Quayle, in fact, may enjoy a form of vindication in the Republican party's decision to embrace family values. Often dismissed by his opponents as a political lightweight, Quayle on May 16, in a speech to the Conservative Club of California at San Francisco, laid out in the presence of the city's mayor Murphy Brown, whose fictional heroine had a busy set of work. The reference reminded of only one sentence in the speech, but it quickly gained a life of its own. It was the place of family values in culture and politics. Predictably, his critics questioned his judgment and accused him of shaming single mothers. But conservative middle America applauded him, and he kept up his campaign in the weeks that followed. He widened his circle to include the "cultural elite" of Hollywood and other media. Now Quayle will have to wait until after the presidential election on Nov. 3 to see how the place of family values in the media and in the political arena is being explored and what that has created has become a centerpiece in the Republican drive for the presidency.

RAE CORRELL

WHEN LIFE IMITATES ART

WOODY VS. MIA IS AN UGLY FAMILY BATTLE

As a screen director, Woody Allen has devoted much of his career to codemongering complex and often unorthodox sexual relationships. In his 1979 movie *Maoism*, a 43-year-old writer takes his lover with a 17-year-old schoolgirl lightly until a disheveled lesbian with her hair braided into two tails has up to 1960's *Alfred Hitchcock* and *Star Trek*, the protagonist does not realize that he truly loves his wife until he has had an affair with her sister. But last week, a raucous dispute between Allen, 56, and his former lover and leading lady, actress Mia Farrow, 47, cast Allen in a role even farther removed from the ideals of conservative North American film: those depicted in his movies. In the rapidly escalating battle with Farrow, Allen's bid for custody of the couple's three children was overshadowed by revelations that the director was sexually involved with Farrow's young adopted daughter, Soon-ri Farrow Previn. As well, lawyers involved in the dispute said that the golden were investigating allegations that Allen may have sexually abused one of Farrow's other children.

The rising tempo of charge and countercharge led the nationally syndicated *Allen* to make two-page statements in as many days. His spokesperson in New York City said that he had spent the past eight months trying to work out an amicable arrangement for joint custody of the three children he shared with Farrow: their biological son, Satchel, 14, and the two children that Farrow and Allen adopted, Dylan, 14, and a seven-year-old daughter named Dylan. Allen said that because no arrangement was reached, he filed suit on Aug. 13 in New York State Supreme Court for custody of the three children.

Allen: Within days of that action, Allen admitted that he was involved in a relationship with college student Farrow.

Previn is a Korean orphan who was adopted by Farrow and her third husband, conductor André Previn, during the 1970s. Her exact age is not known—John Springer, a spokesman for Farrow, said that she has no birth certificate, but is believed to be between 18 and 22 years old. Allen declared in a written statement: "Regarding my love for Soon-ri's it's real and happy, all true. She's a lovely, intelligent,

sensitive woman who has and continues to turn my life around in a wonderfully positive way."

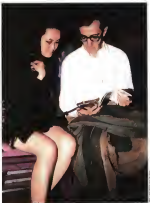
But family case specialists denounced the relationship between the young girl and Allen as inappropriate, particularly because Allen had acted as a father figure to her. "In Western society, it's very strongly believed that sexual relations between unrelated family members, or those in a position like caretaker family

Sate Police officers were investigating possible sexual abuse involving one of Farrow's children, and that Allen was involved in the investigation. Police officials would say only that an investigation in which Allen is a suspect was under way. Springer subsequently said that Farrow made a videotape earlier that month in which Dylan appeared to be describing sexual abuse. Declined Allen at a news conference. "These totally false and outrageous allegations have surfaced again, as I felt that, for the sake of all my three children, I must try and remove them from an atmosphere as unhealthy as can surely leave irreparable scars."

Allen: Allen claimed that Previn's lawyers had indicated that if Allen paid \$5 million, Farrow would drop the allegations of child abuse. But Farrow's lawyer, Allen Deschamps, denied that any such offer was made, adding that the only financial discussions were about child-support payments. As well, Deschamps declared that Allen launched his custody suit as a defensive measure. "We have there were going to be serious charges against him," said Deschamps. "It's all an attempt to deflect attention."

A Harvard University law professor, Deschamps represented Rhode Island society classmate of Allen during his appeal of his 1986 conviction for murdering his wife, and is handling former Mike Tyson's appeal of his conviction for rape earlier this year. Allen subsequently took—and paid—a \$40,000 retainer to an attorney to support his demand for the child's custody.

The relationship between Farrow and Allen began in 1984, after both had been twice married and divorced—Farrow to Previn and singer Frank Sinatra, who wed her when she was 21 and he was 26, and Allen to his 17-year-old musician daughter Rose and actress Louise Lasser, who married him in 1973. *Everything You Always Wanted in One Allen Sex*. Throughout their long affair, during which



Farrow Previn and Allen startling revelations of an affair



Allen and Farrow with (from left) Satchel, Dylan and a newly adopted baby: a rising tempo of charge and counter-charge

Farrow appeared in 15 of Allen's movies, they lived separately in apartments on opposite sides of Manhattan's Central Park. Farrow lived with her first adopted and four biological children (she recently adopted two more), while Allen lived alone and concentrated on his work. According to Canadian-born author Eric Lutz's 1991 biography, *Woody Allen: The Reckoning*, Allen was acceptable to both the controls and Allen Farrow. "As such he has been married and divorced twice," he wrote, "experience has taught them that legitimizing a relationship doesn't necessarily make it last."

On Jan. 13, according to *Derbyshire*, Farrow discovered nude photos of Farrow Previn in Allen's apartment and immediately broke off relations with him. The liaison began on Dec. 1, he added. Farrow's 22-year-old son, Matthew Previn, told a reporter that Allen then ended the affair with the young woman and twice proposed marriage to Farrow, who rejected him. In a letter to her friend Marcia Boush in late February or early March, which Boush made public last week, Farrow wrote about the effect that the knowledge with Allen and the custody battle were having on her. "I have come to personally close to a genuine midlife of my very core,"

she wrote. "I see now that I have spent my years with a man who had no respect for everything that I hold sacred, not for my family, not for my sex, not for my God or my goals."

New York's *Newsday* gave a glimpse of the emotional stresses developing within the unconventional family. It said that friends of Farrow Previn claimed that her mother beat her, but her with a chair, ripped her clothing and pulled at her hair during a fight with Allen. They said that she left her mother's apartment after a few days. Another source claimed that she then went to live with Allen.

Week: The escalating revelations raised profound issues about the responsibilities of parenthood and the definition of incest. According to family-law specialists, even though Previn remains Farrow's father, Allen likely acted, during at least part of his 13 years with Farrow, as an authority figure to her children. In his book, Lutz noted: "Not only fathers spend as much time with their children as Woody does. He is there before they wake up in the morning. He stays there during the day, and he puts them to bed at night."

For his part, William Minkoff, a psychology professor at Queens University in Kingston,

Ont., and director of the Kingston Sexual Behavior Clinic, said that it was not clear if the relationship between Allen and Farrow Previn was incestuous in a legal sense. But, he added, "You have to wonder about someone who has known a perpetually child in a parental role and why he would suddenly become sexually attracted to her when she blossomed into a woman—especially given the age discrepancy."

Until recently, Allen and Farrow had managed to keep most details of their personal lives, and their troubles, private. But with last week's revelations, and with a custody hearing set for this week in Manhattan, the feuding couple seemed certain to arrive in the spotlight. Meanwhile, Allen's latest movie, *Hand and Foot*, begins select screenings last week. In the movie, Allen plays a university professor who is on the verge of breaking up with his wife, played by Farrow, and who becomes involved with a young female student. The timing and theme of the movie seemed once again to underscore the parallels between the director's art and his decidedly unconventional practice of family values.

NORA UNDERWOOD

THE 'FERGIE PHOTOS'

ROYAL FAMILY VALUES SUFFER ANOTHER BLOW



Sarah and Andrew in happier times in Isleworth townhouse

Two marriage took place on July 23, 1986, at Westminster Abbey, before 2,000 guests, streets full of cheering Britons, and an estimated worldwide television audience of 300 million. Last week, Queen Elizabeth's second son, Andrew, the Duke of York, and his wife, Sarah, were upon the subjects of intense worldwide scrutiny. But this time, public interest in relations between the Duke and Duchess of York was aroused by a set of photographs depicting a topless, blonde-haired duchess who was seen laughing, screaming and embracing a handsome, smiling, Texas millionaire named John Bryan, who previously depicted himself as a financial adviser to the royal couple. An Italian business photographer took the pictures while the 30-year-old duchess, popularly known as Fergie, vacationed with her daughters, Princess Beatrice, 4, and Princess Eugenie, 2, in a private villa in the south of France. The photographs were published in two London tabloid newspapers under blaring headlines that trumpeted "Fergie's naked laze" and "Fergie's lost look."

Britons were electrified by the pictures—and wary said they were scandalized by the effort to British standards of public morality. Because the British monarch is also the head of the Church of England, the Royal Family traditionally has been expected to exemplify and uphold the moral standards and values of the church. Some experts on the Royal Family predicted that the affair would lead to the divorce of the Duke and Duchess who, five months after announcing that they were legally separated, were rumored to be considering a reconciliation. The rumor-mongers still spread before the television footage and the already fractured marriage. The duchess's behavior renewed the debate over the £33 million annual allowance that the Queen and her family receive from the British treasury. For many Britons, the scandal was a devastating blow to an institution that they admire and respect. Still, British Royalists, who publishes *Baron's Press*, an authoritative guide to the British aristocracy, "This is not just a scandal in the coffee. It's a whole beautiful of nails."

Problem: While royal-watchers speculated on the long-term impact of the scandal, the immediate effect was decidedly other. Members of the Royal Family had just gathered at Balnain, Castle in Scotland for their annual late-summer vacation. Groups of reporters and photographers from around the world hovered outside the grounds, hoping for glimpses or photos of family members, and whispering the

normal air of calm and tranquility surrounding the royal holiday. At the time that the photographs were published, the books were back in London, and were reportedly attempting to deal with their marital problems. According to one report, the duchess subsequently moved out of the castle, but remained on the grounds at a former gardener's lodge with her children after the pictures appeared.

The scandal was the latest, and probably the most serious, in a series of embarrassing marital revelations that have damaged the royal aura of inviolability that once surrounded the Queen and her family. The Queen's sister, Princess Margaret, divorced her husband, Lord Snowdon, in 1978, and in 1988 the Queen's daughter, Anne, the Princess Royal, finally separated from her husband, Mark Phillips. They were finally divorced last April, one month after the Duke and Duchess of York announced their separation. The scandal was not even more acute and painful with the public use of those books last spring, each depicting the marriage of Prince Charles, the heir to the throne, and Diana, Princess of Wales, as bleak and joyless.

But none of the persons discussed here had quite the impact of the so-called Fergie photos, one of which the man-circled from London island newspaper. The five described as "the most sensational picture of a royal ever taken." Last Thursday, one says, the Daily Mirror published 18 color photos and five black-and-white photos of the duchess and the 37-year-old Bryan, a business executive based in Frankfurt, Germany. Most of the photographs showed the couple engaging in a variety of compromising position activities. One photo captured the couple lying together and embracing on a lounge chair. Another showed Bryan smiling playfully on the duchess's face. In another, the duchess, apparently topless, is reclining on one elbow and kissing over Bryan. One photograph showed

Bryan kissing the duchess while her younger daughter, Eugenie, looked on. As well, the two published photographs from a Spanish magazine showing a severely distressed duchess.

When he learned of the explosive nature of the photographs, Bryan tried to obtain a court injunction blocking publication on the grounds that the photographs had caused him privacy. But a judge of Britain's high court rejected Bryan's application, saying that his privacy had not made a persuasive case. The photographs were taken from public pathways close to the villa where the Duchess was staying with Bryan and several friends. Newspapers carrying the pictures were slapped up eagerly. The Daily Mirror sold its entire print run of 5.8 million papers by 5 a.m. last Thursday, and printed an additional 400,000 copies. One Fleet Street newsstand operator said that many curious customers were offering to pay the equivalent of \$2 per copy, four times the standard price, for a copy of the *Mirror*. The paper published another 18 color photos in its Friday edition, including a picture of the duchess sitting on Bryan's shoulders while looking in the swimming pool.

Revelation: The appearance of the photographs provoked an outpouring of anger, hostility and criticism, almost all directed at the duchess. The *London Evening Standard* declared: "There is about her a stock-jaded arrogance and arrogance which has earned her today's exposure." Andrew Hurren, a Conservative member of Parliament who attacked the *Mirror's* wedding, described her actions as "disgraceful," and another Conservative MP, David J. Knight, said of Fergie: "I think it's a very good day she ever decided to become a member of the Royal Family."

Ordinary Britons booed and booed and various talk shows with telephone calls and vented their feelings in neighborhood taverns. At a pub called The Queen's Arms at London's Battersea district, Lisa Jackson, a 24-year-old sales clerk, was indignant. "God almighty, how

does she carry on with her fancy man like that in front of the babies!" she said. "Heaven help them if they go up just like her!" She found, Jim Phipps, a 37-year-old mechanic, agreed. "If you ask me, it would serve her right if those kids were taken away from her," he said.

The British press stirred some of its fury at Bryan, who had for several months repeatedly denied any involvement with the duchess, even while accompanying her on vacations to Thailand and Argentina. Indeed, some London journalists reported that Bryan had given off-the-



Bryan embracing, nibbling, kissing

record interviews in which he said that the Yorks were considering a reconciliation. And he had consistently claimed that he was only acting as the couple's financial adviser. As he left his London apartment on the day the scandal broke, Bryan had a police escort and a mob of reporters to reach his car, which had

been isolated and had one of its wheels clamped by the police for being parked illegally overnight. When reporters asked him if he had seen the photographs, he said that he was in love with the duchess, Bryan remained silent.

For the duchess, publication of the sensational photographs was merely the latest controversy in what has been a tumultuous transition from commoner to royal. After a 10-year engagement and a marriage in 1984, the British public and the press initially welcomed the attractive, well-bred duchess as a fresh and wholesome addition to the Royal Family. But the public enthusiasm with the duchess quickly faded. At various times, the news media criticized her for being overbearing, taking too many vacations, her loose morals, her behavior when she went abroad and her not working hard enough on royal causes. By last month, a Harris Research Centre poll in Britain revealed that 46 per cent of those questioned believed that the duchess had done more damage to the reputation of the Royal Family than any other member.

Fortune: The uproar over the photographs occurred at a time when the British public has become increasingly critical of the royal allowances to the Royal Family, and the tax-free status of its members. Earlier this year, many members of the public reacted angrily to news that the Queen has an estimated personal fortune of \$12.7 billion, but still does not pay income tax. The Yorks share an annual stipend of \$845,000 in funds from the so-called Civil List, which supports the royal. Experts on royal affairs said that publication of the photographs could well increase public resentment toward the Yorks, and the money spent to support them. On one photograph, a police bodyguard could be seen studying a paperback book while the duchess embraced with Bryan. Even as the shock from the photos continued to reverberate, the British public had begun to argue that some reform was necessary if the monarchy is to survive. Simon Jenkins, editor of the influential newspaper *The Times*, said that steps must be taken "to separate the monarchy as an institution from the Royal Family." He added: "I think there will be a lot of talk about this, some letters, and of some of the members of the Royal Family dropping out of the Civil List." For example, part, Brooks Baker added a more sensible warning, predicting that "if the monarchy fails to reform itself, it will not so long as the Queen's life." It is a point of view to be heeded, given the long history of the Royal Family, that has forecast several dethronings is possible under the crown over the sensational "Fergie Photos."

BY ARCTIC JENNIFER with JOY MULLER in London





SCIENCE

A patent on life

Scientists seek legal rights to genes

Every cell in the human body contains between 50,000 and 100,000 genes—tiny biological units that determine the development and characteristics of individuals. So complex is every human gene that scientists often spend years studying a single gene and determining its function. Many scientists say that doctors eventually will be able to treat diseases by designing drugs based on knowledge of how genes work, or by altering altered genes in patients. As a result, the centers of great genetic could reap rich financial benefits. Partly because of that prospect, scientists are involved in a worldwide race to identify and understand the thousands of genes in every human cell. Now, in a controversial development, a U.S. government agency, the Biotechnology Resource Project, has attempted to gain legal and commercial control over the exploitation of many so-called genes for seeking patents on them even

before scientists have fully mapped them or determined their functions. Anticipating that the competition to exercise ownership over genes could spread, with at least one commercial laboratory moving to patent gene fragments in the near future.

The U.S. Patent and Trademark Office in Washington began granting patents for genes in 1980, and since then scientists from the United States and other countries have won 5,500 patents related to human and animal genes. The holder of such a patent becomes the owner of genetic information about the chemical composition of the gene and can demand a royalty or negotiate a licensing agreement from anyone who uses the information for commercial purposes. The European Community, Japan and several other countries also issue patents for genetic discoveries, and individual scientists can apply in those countries for patent protection. The flurry of patenting activity arises in part from the Human Genome

Warrior: "Genetically designed drugs will be the thing of the 21st century."

Project, a 10-year, \$3-billion research program launched in the United States in 1986. Almost half a dozen countries, including Canada, have since joined in the project, in which geneticists are attempting to identify and determine the function of all human genes and map their exact location. All of the genes in the human body are known collectively as the human genome.

The race to patent fragments of genes before their functions are known is a radical departure from customary scientific practice. Until recently, scientists have usually attempted to patent only genes which they have completely identified and whose functions they fully understood. But NIH ignited a dispute among geneticists, lawyers and other experts in the field when it first applied in June, 1981, for patents based on results of a process that identifies only parts of individual genes. The patents office still has not ruled on any of those applications and is not expected to issue a ruling for at least a year.

Defending the NIH's patents applications, the institute's director, Bethesda, Md., says that resolving ownership rights in genetic discoveries will stimulate further research. She insists that scientists will be encouraged to share information if they know they have secured the rights to their discoveries by obtaining patents. "We are concerned that the public benefit from those discoveries through rapid development of health care products."

Despite the controversy that has engulfed

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the Human Genome Project at the United States, Canadian scientists have convinced Ottawa to make funds available to participants in the program in June. Science Minister William Mewad and representatives of two federal agencies announced that Ottawa would provide \$22 million during a five-year period for genome research. In June, Ronald Weir, who is assistant-chief at Vancouver's Hospital for Sick Children, was approached to lead a committee that will decide how the money will be used. "If we're not one of the players today, we won't be there in 15 years to take advantage of the new discoveries," Weir said. "Genetically designed drugs will be the thing of the 21st century. We're trying to protect Canada's interests as well as the future."

Many experts on genetic research say that the controversy over the NIH patent application has left a cloud of uncertainty over the future of biotechnology. The controversy began about two years ago when an NIH scientist, Greg Venter, developed a fast and highly automated method of identifying genes by studying the long and complicated sequences of base chemicals that make up genes. The chemical sequences are usually expressed in computer protocols consisting of rows of letters or symbols. Venter and his associates claimed to identify new genes by studying only between one-tenth and one-third of the chemical sequences of genes. They were soon identifying as many as 3,000 gene fragments a month. But the dozens of other scientists around the world working on the Human Genome Project have been relying on slower but more thorough methods of sequencing the entire chemical sequences. As a result, they have only identified about 3,000 genes, because they have been analyzing the entire chemical sequences that make up each gene.

Initially, Venter's work attracted little attention within the scientific community, but the debate commenced in June, 1991, when the NIH filed an application to patent 347 gene sequences that Venter and his associates had identified. Last February, the NIH applied for patents on another 3,375 sequences. Then, in another controversial move, Venter resigned from the NIH, along with 30 associates, on July 13. They went to work as a group for a new, privately-funded venture called the Institute for Genomic Research in Greenhouse, Md., which, according to some scientists, now plans to apply for patents on the genes it identifies using Venter's methods.

The Institute has received financing from a 10-year, \$70-million grant from New Jersey-based HealthCare Investment Corp., a private venture capital company that funds medical research. HealthCare chairman Wallace Stengberg contends that unless American scientists pursue their genetic discoveries, they risk losing that out of the fast-growing international biotechnology industry to Japanese and European competitors. But Stengberg "I suddenly

and I say I don't if this thing doesn't get done as a substitute way in the United States, but in the end of biotechnology in the United States" but the emerging race to patent almost same experts. Said Boston University lawyer and medical ethicist George Annas "This is not science. This is like the gold rush. That's why there are no scientists anywhere as a whole in the United States."

Some critics also say that Venter has not demonstrated the commercial usefulness of any of the gene sequences that he has identified—one key test of whether something can be patented. Weir said that trying to identify genes as the basis of partial sequences of unknown origin would be like using through automobile headlights that had been used as

under the difficult task of identifying and describing the genes gene because they might not be cataloged as they are discovered. "I suddenly spend a lot of time and money to discover the whole gene and its function, and then discover they've got it in deal with somebody who owns a patent is part of it, suddenly the commercial possibilities become clouded."

As many scientists have discovered, obtaining a patent is a long, slow process. In the summer of 1989, a team of scientists under professor Lap-Chue Tsui at Toronto's Hospital for Sick Children announced that they had discovered the gene that causes cystic fibrosis, a debilitating genetic disease that affects one in 2,000 children. Even before the scientists

published their findings, the hospital and a group of scientists from the University of Michigan collaborated in the project, filed applications

to patent the discovery in Canada, the United States and several European countries. But according to Barbara Lavery, the hospital's manager of technology licensing, the applications are still under review, and it could be another two years before any decisions are reached. Said Lavery: "The problem is that biotechnology has expanded so rapidly that a licensing has developed. Patent applications can sit for up to two years before they even get looked at." The delay inevitably means that the development of treatments will be postponed. Nevertheless, the discovery has allowed doctors to test prospective parents to determine whether they carry the cystic fibrosis gene. And an expected mother can have her fetus tested to find out whether it have passed on the gene.

Still, most geneticists and biotechnology companies support the underlying idea of patenting discoveries involving complex genes whose functions are known. Various

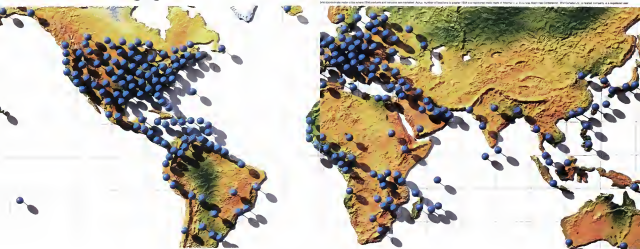
leader, a professor of molecular genetics at Rockefeller University in New York City, said that scientists in hospitals, research institutes and universities can spend several years, and consume enormous amounts of research funding, to identify and describe a single gene. Patents can ensure that individual scientists, or the institutions they represent, are rewarded for their work. Said Zander: "I'm not against patenting at all, in fact, I'm all for it. But almost everyone agrees that the same patent applications have taken the whole issue into discovery—and it could be years before it is resolved."



Flow of letters on a computer printout shows the composition of a gene, with a model of the molecule for deoxyribonucleic acid (DNA), the substance inside human cells that contains genes.

genes and trying to patent the results. This race also involves naming patents for gene fragments could lead to rivalry and contentious disputes at the future. Declared Richard Golden, president of the Washington-based Industrial Biotechnology Association "Patents are the very lifeblood of the biotechnology industry. They are our main process technology." Said Golden, said, "Scientists working independently can identify different fragments of the same gene and end up with two patents for a single gene. That could eventually lead to conflict between patent holders over who is entitled to royalties. He also noted that if a patent is issued on a fragment of a gene, other scientists will be reluctant to

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A man in a blue button-down shirt and jeans sits on a barstool in a dimly lit bar. He holds a glass of whiskey in his right hand. In the background, a jukebox is visible, and another person is partially seen on the left. The scene is moody and atmospheric.

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